



WEEKLY ECONOMIC UPDATE

IN THIS ISSUE

THE LATEST TRADE DEVELOPMENTS

EARNINGS SEASON WINDS DOWN

FINAL THOUGHT

The Week on Wall Street

Stocks fell sharply at the start of last week over trade tensions, then recovered with help from strong earnings and indications that U.S.-China trade talks would continue. Even so, the major indices had a down week. The S&P 500 lost 0.76%, while the Nasdaq Composite fell 1.27%, and the Dow Jones Industrial Average declined 0.69%.

In contrast, the MSCI EAFE benchmark for international stocks rose 0.19%.

Weekly Tip

A small, but growing, percentage of companies now offer student debt assistance as an employee benefit. If you are looking for a new job and have outstanding education debt, research whether a potential employer can help you pay down your student loan balance.

Weekly Quote

“Every great mistake has a halfway moment, a split second when it can be recalled and perhaps remedied.”

-PEARL S. BUCK

Weekly Riddle

Can you name two perennial vegetables? (That is, vegetables that don't need to be replanted and can live on to produce in a future growing season?)

LAST WEEK'S RIDDLE: Name three words in everyday English that begin with the letters “dw.”
ANSWER: Any three of these five words will do: dwell, dwelling, dwarf, dweeb, and dwindle.



THE LATEST TRADE DEVELOPMENTS

A broad selloff occurred Monday after China announced it would respond to increased U.S. tariffs by boosting its own import taxes on \$60 billion of U.S. products. Friday morning, the Street breathed a sigh of relief as the Trump administration decided to delay 25% tariffs planned for imported cars and car parts; they had been slated to take effect on May 18. Just hours later, President Trump announced an end to U.S. tariffs on metals coming from Canada and Mexico.

At midweek, Secretary of the Treasury Steven Mnuchin told reporters that he expected the U.S. to resume trade negotiations with China in “the near future.”

Market Index	Close	Week	Y-T-D
DJIA	25,764.00	-0.69%	+10.44%
NASDAQ	7,816.28	-1.27%	+17.80%
MSCI-EAFE	1,868.61	+0.19%	+8.66%
S&P 500	2,859.53	-0.76%	+14.07%



Treasury	Close	Week	Y-T-D
10-Year Note	2.39%	-0.08%	-0.30%

EARNINGS SEASON WINDS DOWN

The first-quarter earnings scorecard is nearly complete, as more than 90% of S&P 500 companies have reported actual Q1 results.

Stock market analytics firm FactSet notes that 76% of these firms have beaten consensus earnings-per-share estimates. Overall earnings for S&P 500 components have surpassed expectations by 5.4%. Both of these percentages are above 5-year averages.



FINAL THOUGHT

The market is quite sensitive to trade developments at the moment, and it is unclear whether this will be a short-term trend or a long-term influence on prices. While the U.S. prepares its next moves, China is also preparing its response to any new U.S. tariffs, which could include manipulating its currency.